

Performance Measurement Survey 2022

A survey of the returns generated by independent UK-managed private equity and venture capital funds that raise capital from third-party investors

July 2023

Highlights

UK private capital at a glance

The British Private Equity and Venture Capital Association ('BVCA'), in association with PwC, is pleased to be able to publish this highlights paper to accompany our full Performance Measurement Survey report.

Please [click here](#) to access the full report, including details of calculations, commentary and methodology.



Industry return since 1980

14.7% p.a.

Overall industry since inception internal rate of return since 1980.

Industry return since 2013

19.7% p.a.

Overall industry since inception internal rate of return since 2013.

Total returns

1.81x

Across the industry as a whole since 1980, investors own assets which, if realised at their 31 December 2022 values, would mean investors receive 1.81x their original investment.

Realised returns

1.34x

Across the industry as a whole since 1980, investors have received back distributions equal to 1.34x their original invested capital. This excludes the additional value in their, as yet, unrealised portfolios.

10 year horizon return

17.0% p.a.

vs 6.5% p.a. achieved by the FTSE All Share index.

Total return since 2013

1.84x

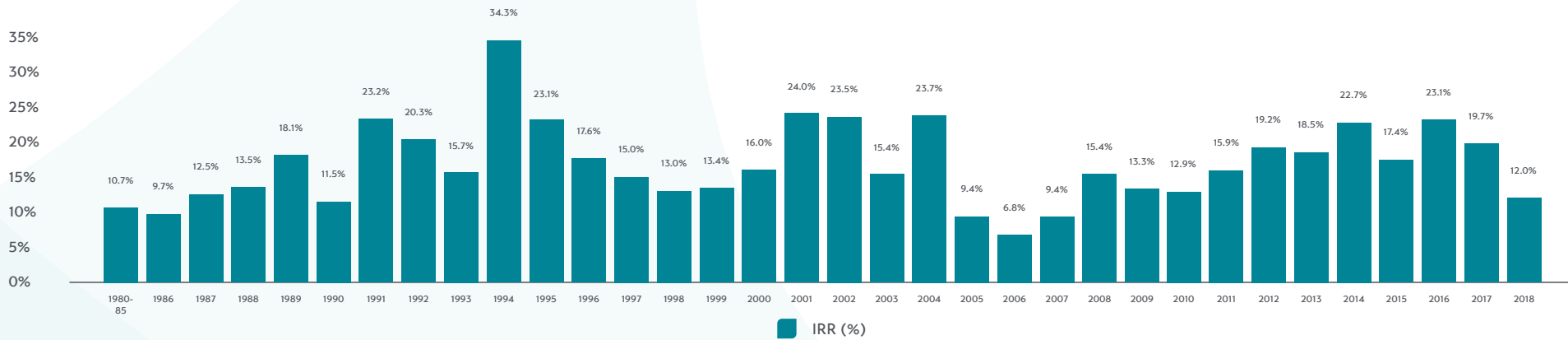
Across the industry as a whole since 2013, investors own assets which, if realised at their 31 December 2022 values, would mean investors receive 1.84x their original investment.



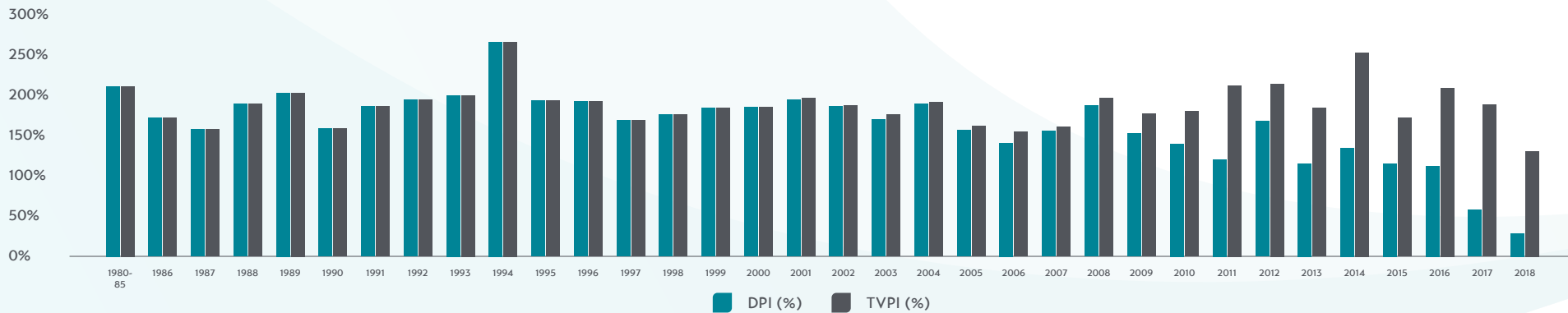
Since inception performance

IRR and Multiples // by vintage year

Since inception IRR (%) by vintage year to December 2022



Since inception multiples of invested capital by vintage year to December 2022



Since inception performance

IRR and Multiples // by investment stage and subcategory

	No. of funds	Distributions multiple (DPI)	Total value multiple (TVPI)
Pre-1996 vintage funds			
Early stage	24	1.70x	1.70x
Development	35	1.72x	1.72x
Mid Private Equity	33	1.76x	1.76x
Large Private Equity	26	1.92x	1.92x
Generalist	35	2.43x	2.43x
Subtotal pre-1996	153	1.97x	1.97x
1996 vintage funds onwards			
Venture	186	0.86x	1.73x
Pre-2002 vintage funds	42	0.93x	0.94x
2002 vintage funds onwards	144	0.84x	1.97x
Small Private Equity	134	1.17x	1.86x
Mid Private Equity	243	1.09x	1.66x
Large Private Equity	74	1.47x	1.87x
Subtotal 1996 onwards	637	1.32x	1.81x
Grand total all funds	790	1.34x	1.81x
Subcategories (all vintages)			
UK	505	1.30x	1.71x
Non-UK	285	1.35x	1.83x
Pan-European	275	1.38x	1.82x
Technology	216	1.26x	2.03x
Non-Technology	574	1.35x	1.77x



Horizon performance

IRR by Vintage Year

Vintage year	No. of funds	One year	Three years	Five years	Ten years
1980-1989	80	n/a	n/a	n/a	-17.2
1990-1999	151	n/a	14.2	1.5	13.0
2000	26	2.0	-17.5	-10.1	9.2
2001	29	8.7	-1.4	2.8	17.1
2002	21	-24.0	-12.3	-12.0	8.2
2003	17	4.3	-5.8	-3.9	8.7
2004	14	-4.7	-2.1	2.5	6.3
2005	26	1.4	2.4	2.6	15.5
2006	42	-17.2	12.0	12.1	12.8
2007	39	3.1	-0.3	-6.3	11.5
2008	29	5.8	10.4	18.7	22.3
2009	23	1.4	0.4	6.5	17.0
2010	22	7.3	3.2	5.2	15.1
2011	19	4.2	15.3	11.5	16.5
2012	23	-21.5	3.9	15.9	19.6
2013	27	39.3	24.6	21.8	n/a
2014	37	2.0	21.2	23.1	n/a
2015	43	36.5	16.1	16.5	n/a
2016	37	18.8	32.3	24.9	n/a
2017	41	3.0	19.5	18.5	n/a
2018	44	-19.5	11.5	n/a	n/a
2019	43	36.3	36.4	n/a	n/a
2020	44	8.9	n/a	n/a	n/a
2021	41	30.1	n/a	n/a	n/a
2022	41	n/a	n/a	n/a	n/a
Total	959	5.5	16.2	16.1	17.0



Since inception performance

IRR starting from a specific year // by investment stage and subcategory

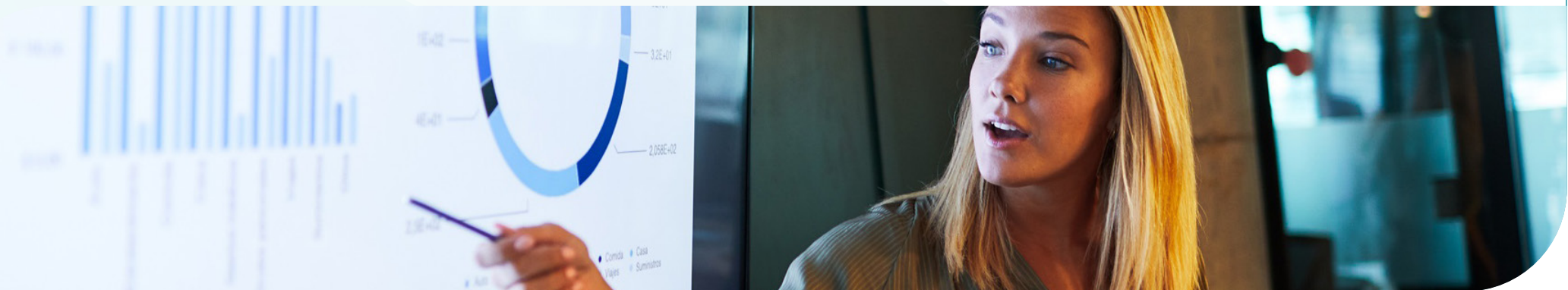
	Starting from 2018	Starting from 2017	Starting from 2016	Starting from 2015	Starting from 2014	Starting from 2013	Starting from 2012	Starting from 2011	Starting from 2010	Starting from 2009	Starting from 2008
1996 vintage funds onwards											
Venture	17.8	21.3	37.7	31.8	27.3	23.4	22.2	21.8	20.4	20.5	18.8
Small Private Equity	13.5	23.0	23.5	17.5	16.5	17.3	18.2	17.8	16.0	15.9	15.0
Mid Private Equity	15.6	15.5	16.8	15.7	16.1	16.1	16.1	16.1	15.6	15.5	15.2
Large Private Equity	9.4	17.9	18.1	19.4	21.5	21.5	21.2	21.2	21.3	19.9	18.3
Grand total all funds	12.0	17.5	18.7	18.4	19.8	19.7	19.6	19.1	18.6	18.0	17.2
Subcategories											
UK	14.8	20.9	20.7	17.9	16.8	16.6	17.2	16.9	17.5	17.7	16.0
Non-UK	11.5	17.2	18.5	18.5	20.4	20.3	20.1	19.5	18.8	18.1	17.4
Pan-European	11.5	15.5	17.4	17.6	20.1	20.0	20.0	19.3	18.7	17.9	17.2
Technology	17.2	20.9	24.0	23.4	24.9	23.8	23.6	23.5	23.2	23.5	22.8
Non-Technology	10.8	16.4	17.2	17.3	18.2	18.3	18.5	18.0	17.6	17.0	16.5
Total number of funds	44	85	122	165	202	229	252	271	293	316	345



Since inception performance

IRR starting from a specific year // by investment stage and subcategory

Continued	Starting from 2007	Starting from 2006	Starting from 2005	Starting from 2004	Starting from 2003	Starting from 2002	Starting from 2001	Starting from 2000	Starting from 1995	Starting from 1990	Starting from 1980
1996 vintage funds onwards											
Venture	16.5	14.4	13.8	13.6	13.0	11.9	10.1	8.0	8.1	8.1	8.1
Small Private Equity	14.7	14.4	11.4	11.4	11.7	11.7	15.0	14.7	14.2	14.2	14.2
Mid Private Equity	14.3	11.1	10.7	11.0	11.1	11.4	11.9	12.3	11.5	11.5	11.5
Large Private Equity	15.3	14.1	13.4	13.8	13.9	14.5	15.6	16.0	16.3	16.3	16.3
Grand total all funds	15.0	13.3	12.6	12.9	13.0	13.4	14.3	14.5	14.5	14.9	14.7
Subcategories											
UK	17.7	13.2	11.8	12.0	12.3	12.0	12.2	11.7	12.1	13.7	13.5
Non-UK	18.1	13.4	12.7	13.1	13.1	13.6	14.7	15.0	15.1	15.3	15.2
Pan-European	17.9	13.0	12.4	12.8	12.9	13.5	14.5	14.8	15.6	16.2	15.9
Technology	23.5	16.8	16.6	17.7	17.4	17.2	15.8	14.6	13.9	13.9	13.1
Non-Technology	17.0	12.7	12.0	12.2	12.3	12.8	14.1	14.4	14.6	15.1	15.0
Total number of funds	384	426	452	466	483	559	533	559	646	710	790



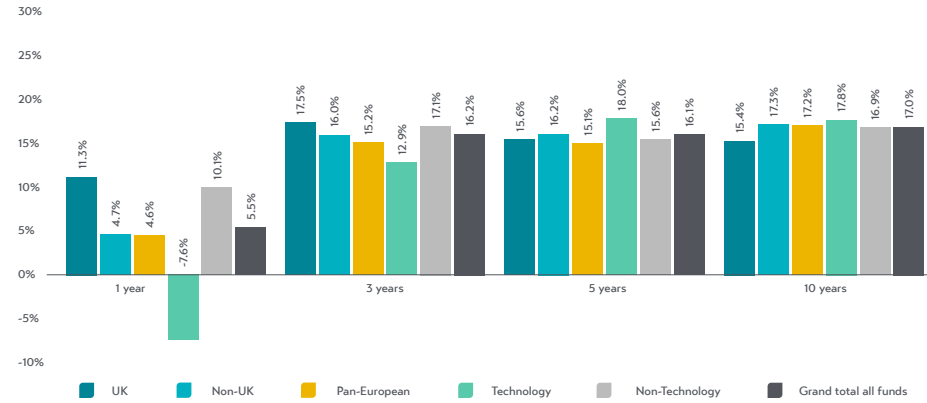
Horizon performance

IRR by investment stage and subcategory

Horizon performance – IRR (%) by investment stage



Horizon performance – IRR (%) by investment subcategory



Horizon performance – IRR (%) for BVCA members and FTSE indices

No. of funds	1 year	3 years	5 Years	10 Years	Since Inception
PE and VC	5.5	16.2	16.1	17.0	14.7
FTSE ALL-SHARE INDEX	0.3	2.3	2.5	6.5	n/a
FTSE 100 INDEX	4.7	3.1	3.3	6.3	n/a
FTSE 250 INDEX	-17.4	-2.7	0.6	7.0	n/a
FTSE 350 INDEX	0.8	2.2	2.9	6.4	n/a

Source: FTSE Russell 2022



Definitions

Return metrics

IRR

The annualised internal rate of return (IRR) achieved over a period of time, based on the portfolio cash flows and valuations.

DPI

The distributed (DPI) multiple is the total amount distributed to investors as a percentage of paid-in/committed capital.

TVPI

The total value multiple (TVPI) is the total amount distributed plus the residual value attributable to investors as a percentage of paid-in capital.

Time periods

Vintage year

Governed by the date of the fund's first drawdown, that is, the earlier of either: (i) the first payment by the investor to the fund; or (ii) the first investment made by the fund.

Since inception

From the actual start of the fund (i.e. from the first drawdown) up to a particular point in time. This measure of return most closely reflects the return a primary investor would have achieved.

Horizon

Horizon IRRs look backwards at specific time horizons. This measure includes cashflows from all funds that were active at some point during horizon period, regardless of which part of the life cycle the fund is in.

Investment stage

Pre-1996 vintage funds

Early stage

Invests in companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development.

Development

Invests in expansion stage companies, that is, established companies that raise private equity to make acquisitions, fund working capital, buy new plant, etc. and small management

buyouts and buy-ins (MBOs) with less than £10 million of equity invested per transaction.

Mid Private Equity

Invests in private equity with £10 million to £100 million of equity invested per transaction.

Large Private Equity

Invests in private equity with more than £100 million of equity invested per transaction.

Generalist

Invests across all stages of private equity.

1996 vintage funds onwards

Venture

Invests in companies in the seed (concept), start-up (within three years of a company's establishment) and early stages of development.

Small Private Equity

Invests in private equity with less than £10 million of equity invested. This category also includes development

capital for expansion stage companies, that is, established companies that raise private equity to make acquisitions, fund working capital, buy new plant machinery and the like.

Fund Subcategories

(apply to all vintages)

UK

Invests primarily (at least 60% of the fund) in companies inside the UK.

Non-UK

Invests primarily (at least 60% of the fund) in companies outside the UK.

Pan-European

Invests in more than two European countries.

Technology

Invests primarily (at least 60% of the fund) in technology companies.

Non-Technology

Invests primarily (at least 60% of the fund) in non-technology companies.

Note: The same definitions of mid private equity and large private equity apply throughout the life of the survey.



About the Performance Measurement Survey

This report has been produced by the British Private Equity and Venture Capital Association (“BVCA”), in association with PwC to demonstrate the returns generated for investors by our members to 31 December 2022. The statistics in this report are the results of the BVCA’s Performance Measurement Survey, an annual survey of fund level cash flows and valuations collected from our members.

For the 2022 survey we received responses from 105 members out of a total eligible pool of 136 members, a response rate of 77%. For comparison, for the 2021 survey we received responses from 114 members out of a total of 164 who were eligible.

Further information, detailed calculations and commentary can be found in the full report [here](#).

Authors

Suzi Gillespie
Head of Research

Adele Yan Lun
Data Manager

Ewa Skornas
Research Manager

Martin Senk
Research Manager

Hind Jbala
Research Analyst

Greg Whittaker
Senior Marketing Manager

The BVCA would like to thank the individuals who served on the Performance Measurement Survey Review Board during the preparation of this report.

We would also like to extend our thanks to all firms who responded to our Performance Measurement Survey.

Please contact research@bvca.co.uk for any enquiries.

About the BVCA

The British Private Equity & Venture Capital Association (BVCA) is the voice of private capital in the UK.

We have been advocating for the UK’s private equity and venture capital industry for 40 years, helping it to uphold its vision and achieve its goals.

We actively represent this diverse community of long-term investors, enabling them to speak with one clear and consistent voice to society, including the Government, media and MPs.

We connect institutional investors, fund managers, companies, advisers and service providers together, with our membership currently comprising more than 700 businesses from across the private capital ecosystem. This includes more than 325 PE and VC firms, 100 institutional investors and 220 professional services firms.

The BVCA supports its members to help companies grow and achieve their long-term ambitions, creating value for the country, both economically and socially. From creating medicines to protect us against COVID-19, to backing innovative companies in their quest to find solutions to our low-carbon future, private capital also plays a critical role in addressing society’s future challenges.

Together we are invested in a better future.

The data within this report was collated and analysed by the BVCA and PwC Research. While PricewaterhouseCoopers LLP (PwC) and the BVCA have made every effort to ensure the reliability of the data included in this report, they do not assume any responsibility for any inaccuracy in the data nor for the accuracy of the underlying amounts submitted by the participating private equity and venture capital funds. The survey is based on valuations provided by each participating fund. Neither the BVCA nor PwC have independently checked the valuation data, or independently confirmed that the International Private Equity and Venture Capital Valuation Guidelines have been adhered to.

The data used in the preparation of the report has not been independently verified, validated or audited by the BVCA or PwC. This publication has been prepared for general guidance on matters of interest

only and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law. Neither the BVCA nor PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2023 British Private Equity and Venture Capital Association.

BVCA refers to the British Private Equity and Venture Capital Association.





40
YEARS

**British Private Equity &
Venture Capital Association (BVCA)**

3rd Floor, 48 Chancery Lane, London WC2A 1JF
+44 (0)20 7492 0400 / bvca@bvca.co.uk / www.bvca.co.uk

Find us on

